

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF CHARLES ) APPEAL NO. 07-A-2648  
AND CAROLYN GOWING from the decision of the ) FINAL DECISION  
Board of Equalization of Valley County for tax year ) AND ORDER  
2007. )

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing February 14, 2008, in Cascade, Idaho before Presiding Officer Steven Wallace. Board Members Lyle R. Cobbs, and David E. Kinghorn participated in this decision. Charles and Carolyn Gowing appeared at hearing. Assessor Karen Campbell, Chief Deputy Assessor Deedee Gossi and County Appraiser Charles Pickens appeared for Respondent Valley County. This appeal is taken from a decision of the Valley County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RPC0144000012AA.

**The issue on appeal is the market value of a residential property.**

**The decision of the Valley County Board of Equalization is reversed.**

FINDINGS OF FACT

The assessed land value is \$108,850, and the improvements' valuation is \$350,270, totaling \$459,120. Appellants request the land value remain at \$108,850, and the improvements' value be reduced to \$269,280, totaling \$378,130.

The subject property is a .762 acre lot located in the City of Cascade, Idaho, improved with a 1,720 square foot residence built in 1996. Other improvements include a detached garage, a utility shed and a pole building.

Appellants argued subject was not assessed at its fair market value. It was noted the property was purchased in 2003 for \$221,000.

Taxpayers noted subject garage has a gravel floor instead of a concrete floor shown by

the Assessor. The Assessor explained the garage floor was classified as 60% gravel and 40% wood. The physical characteristics sheet furnished by the Assessor described the garage interior wall finish as apartment quality. The finish of the walls in garages fell within three (3) categories and subject's "apartment" category was because it was sheet rocked, textured, and painted.

Subject did not have access to city water or sewer. The view from subject was an access road to a water tower.

Appellants presented information on 2005 sales within Cascade City Limits. Appellants and Respondent agreed no 2006 sales were available within the city limits for market value comparison.

One of Appellants' sales (Carbarton Road) sold in October 2005. This parcel and residence are larger than subject, 3.94 acres and 3001-3500 square feet. This property sold for \$325,000 or \$134,120 less than subject's assessed value. The Respondent argued the sale (Carbarton Road) was not a good comparison to subject because the two were graded differently. Subject was graded Good and the sale was graded Average. To demonstrate the difference in value between the two grades Respondent compared one property with a Good grade and one with an Average grade.

Appellants furnished information on six (6) 2006 sales located outside the Cascade city limits. The sizes of land and improvements, age of improvements and sale prices varied greatly. Appellant concentrated on the Hilltop Road sale. Accordingly this property was superior to subject, larger site and improvement size, furnished, and sold for \$385,000, or \$74,120 less than the assessed value of subject. Respondent explained the year-round access to the Hilltop Road property was substandard.

One of the sales, Eagle Nest, was in a nicer neighborhood, a larger property and a larger

and newer residence, with a large barn and garage. This property sold for \$1,120 less than subject's assessed value. Appellant did not understand the minimal difference between the sale price and subject's assessed value.

Two (2) of Appellant's sales were properties located south of Cascade (Gold Dust Area). The Respondent described this area as less expensive than subject's city location.

Respondent's sales spread sheet included ratios for two (2) sales in Lakeside Addition to Cascade. The spreadsheet indicated the comparison of assessed values to sale prices was 122% and 127%, with an average ratio of 124%.

Cost approach to value information was furnished by the Assessor.

The Assessor explained the State Tax Commission (STC) recognized the assessment level of Valley County Category 41 (Building on Category 20), or residential improvements inside a city, was "out of compliance." The STC recommended a 30% increase in assessed values of Category 41 property to be in compliance with the market value requirements.

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho has a market value standard in respect to the valuation of taxable property for assessment purposes. Idaho Code § 63-201(1) provides the following definition.

"Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

A proper valuation is one which reflects the subject property's current market value as of January 1, 2007. Idaho Code § 63-205(1). No 2006 sales were available to compare and establish subject's current market value. The use of 2005 sales is weak and in need of time adjustments to reach a 2006 value.

Appellants information on the Carbarton Road and Hilltop Road sales was well presented. Although Appellant compared subject's assessed value to the sale prices, the Board believes the information should be considered.

Of primary concern to the Board was Respondent's spread sheet which indicated sale prices were on average 24% above market value. This Board finds the assessed value to sale price ratio of 124% to be extreme as the goal is 100% of market value. We find that Respondent's information and Appellants comparisons indicate subject is over valued. The Board therefore reverses the decision of the Valley County Board of Equalization.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, reversed.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

**MAILED April 30, 2008**